



# Arizona Registrar of Contractors

## Message from Israel G. Torres, Director

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May 2005

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### Know the "ABCs" of avoiding home repair or remodeling scams

Arizona attracts visitors and new residents from all over the world, and one reason for this is the mild weather that many parts of the state enjoy year-round. This construction-friendly climate supports booming construction, particularly of new homes, in both Maricopa and Pima counties, as well as other locations that have not experienced much growth in the past.



However, the environment many of us call home also attracts unlicensed criminal transient contractors who flock to Arizona with the intent to scam consumers, particularly seniors, on home repair or remodeling jobs. In the past two years, 4,500 Arizonans were scammed out of approximately \$50 million by these unscrupulous individuals and groups.

Here are a few "red flags" to watch for in your neighborhood:

- Door-to-door solicitations - If a "contractor" approaches your home and offers services, he is very likely not doing legitimate business. These days, the construction industry is so busy that legitimate licensed contractors have no time or need to go door to door seeking work.
- Offerings of "great deals" using left-over materials - Many scam artists also like to approach homeowners unannounced and claim to be able to do a job for a good price because they have extra supplies from another job that they just finished. Again, this is not how legitimate contractors do business.
- Demanding cash/large payments up front - Unlicensed criminal contractors are often successful because they spend very little time at a victim's home...especially when they can get payment in advance to "go buy materials." Any contractor who can't begin the work without payment, other than an advance check -- not cash -- that will cover some materials and supplies, is not being honest with you. Get the down payment agreement in writing as part of the written contract, which legitimate licensed contractors are willing to provide. If the contractor won't put it in writing and won't accept a check, this spells trouble. At best, he has a cash-flow problem - at worst, he intends to steal your money and do little or no work for you. If you do your homework and get bids from a few contractors, you will see what is standard and what demands should put you on alert.

How can you protect yourself, your loved ones and your neighborhood from unlicensed contracting scams?

- Hire only Arizona-licensed contractors - In Arizona, it is against the law for a contractor to perform a project that costs \$750 or more without a license. When you use a licensed contractor, the ROC can help you with getting workmanship problems fixed, and you can even recover losses from the Residential Contractors' Recovery Fund if a licensed contractor cannot or will not correct bad work. If you hire someone who is not licensed, these options are not available to you.
- Be aware - Watch what is happening along your neighborhood streets. If someone is going door to door and is driving a contractor vehicle, look for the six-digit ROC license number that should be displayed on it. If you don't see one, or if things just seem suspicious, contact the ROC immediately. You can

### Investigations Update

#### Bullhead City man on the run after scamming several homeowners

5-9-05: A senior couple in Mohave County reported that they paid José Guerrero \$14,250 to repair some water damage at their home caused by a storm.



During the project, Guerrero convinced the victims their house was unsafe and charged them \$3,500 to move them to a rental property. Guerrero also convinced the victims to sign a blank document to be used later to file an insurance claim, but he never completed the document or the claim. Instead, he used it to gain Power of Attorney, giving him control of their \$300,000 home. With the ROC's assistance, the couple was able to nullify the Power of Attorney before any further damage could occur. An arrest warrant was issued and Guerrero was charged with fraud, theft and forgery, all felonies. Guerrero remains at large, possibly in Colorado and the ROC is working with Colorado authorities to apprehend him.

#### Scam Alert: Bogus septic tank installation costs Ajo homeowners \$2,500

5-9-05: The ROC is warning homeowners in Ajo and southwest Arizona to be on the lookout for an unlicensed contractor who is scamming homeowners out of thousands of dollars. Contractor Larry Edward Fry is wanted by the Pima County Attorney's Office on a felony theft charge for failing to complete a septic system installation. The victim positively identified Fry from a photo line-up provided by the ROC after a special investigation into Fry's activities. The victim gave him an advance payment of \$2,500 for a proposed \$5,000 job to install a septic system. Fry never completed any of the work.

#### Protect yourself against unlicensed contracting scams!

To report possible fraudulent home

remain anonymous if you wish. Also, keep an extra eye out for your senior neighbors. Scam artists target them specifically and will often return repeatedly, taking payment each time for faulty work or no work at all.

- Get involved in the ROC Neighborhood Ambassador Program - Learn more about combating and preventing unscrupulous and unlicensed construction activities, home repair scams, and financial exploitation in your neighborhood. Call 602-542-1525, ext. 7115 to schedule a presentation from the ROC for your neighborhood association, Block Watch or civic group.

Don't forget to always check a contractor's license by calling the ROC at 602-542-1525, or toll-free statewide outside Maricopa County at 888-271-9286, or visit [www.azroc.gov](http://www.azroc.gov). Make sure the license is current and appropriate for the job you need done. Do your homework - help the ROC protect you and your neighborhoods!



Israel G. Torres, Director

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### Contractor seminar comes to southern Arizona in June

The ROC offers a first-of-its kind instructional class for representatives from home builders and all contracting trades. Through the workshop, the ROC gives participants tips on avoiding complaints, dealing with job site inspections and how to protect their licenses.

The two-hour seminar provides information about the most common complaints received by the ROC, informs attendees about ROC workmanship standards, and educates them about policies that regulate their industry. Additionally, it gives contractors and customer service representatives the opportunity to get answers to their questions about ROC services and licensing issues.

The seminar is free and will take place 10 a.m. to noon on Thursday, June 16, at 465 W. St. Mary's Road in Tucson. To ensure adequate seating, registration is required by calling 1-888-271-9286, ext. 7405.

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### Project Cool Aid kicks off efforts to help families in need beat the heat

The ROC and the Air Conditioning Contractors of America/Arizona launched Project Cool Aid for the third year to help Valley families beat the desert heat with free home cooling system repairs. The program focuses on seniors, disabled individuals, homes with infants and other homeowners who are most susceptible to dangerous heat-related illnesses.



2005 Project Cool Aid client Sandra Torres now is enjoying the first air conditioning she's had in more than seven years.

improvement activities or if you have been approached door-to-door by someone claiming to be a contractor, contact the ROC at 602-542-1525 or toll-free outside Maricopa County at 888-271-9286, or visit [www.azroc.gov](http://www.azroc.gov). Check the company's license status and report the company to the agency if you suspect a scam.

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The Air Conditioning Contractors of America/Arizona Chapter provided \$4,000 worth of labor, materials and supplies for the first Project Cool Aid installation of 2005. For the next two months, Project Cool Aid will help numerous homeowners who submitted statements of need in April.

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### **Statewide ROC undercover sting operations continue: Prescott**

As the agency continues to conduct its special operations around the state, unlicensed contractors are starting to get the message that the ROC will be there, whether they know it or not. One way the ROC is proactively enforcing licensing requirements and helping to protect consumers and the licensed, legitimate contracting industry is through undercover sting operations in communities across the state.

ROC investigators target individuals who advertise their construction services to the public without the proper license required. During the course of a sting, ROC investigators posing as homeowners meet with these individuals and describe the type of work that needs to be done, almost always resulting in an illegal offer of contracting services from the unlicensed person.

In late April, the ROC conducted a three-day sting in Prescott, which resulted in 15 cases of unlicensed contracting and 28 advertising violations. The ROC plans to pursue criminal charges in all of these cases.

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